



Clarion Call



“Government For the People”

Mad River Institute for Political Studies

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Labour Strikes in ‘The Worst of Times’

There are a lot of people who don't understand how a variety of unionized workers could even consider going on strike, these days. The economy is bad, and may be bad for some time. Many people are having trouble making ends meet. Most are worried their job is up in the air. A few wonder if they'll ever get a 'real' job again. Shouldn't you be happy with what you have, especially if you work in the public service? Yet we have recently seen a number of municipal workers go out. Is it just greed?

The problem is not avarice; it is expectation. When times are good, employers are often fairly benevolent with pay and benefits, at least in their willingness to negotiate them. Oh, they won't likely offer to make you rich (though that depends on the profession), but they may set up expectations of a lifetime of comfort. Eventually, inevitably, the economy goes bust and any generosity exhibited by the employer vanishes. Quite often, in fact, the employer wants to roll back some of their earlier munificence. It's a futile circle of give and take that happens too often, wastes too many resources, and

ON STRIKE!

*** * ***

**EMPLOYER
NOT MEETING
MY
EXPECTATIONS ...**

Local 000

creates popular derision for both sides.

The solution? In years past, *binding arbitration* was seen as a way out of the conundrum. Both sides would make their case to an agreed-to arbitrator and let that person decide. Usually, it was not a winner-take-all situation, and the arbiter would choose a position between the two. It guaranteed the workers would get a little more, and it would not cost the employer quite as much as it might have. However, like all arrangements, both sides begin to “work the system” and try to gain greater

advantage. Union leaders started to ask for a lot more; employers invariably offered less or nothing or cutbacks. Eventually, binding arbitration fell out of favour for the very reason it virtually assured workers of a pay/benefit raise, even when times were hard.

But, returning to the initial point, why strike when times are bad? The reality is that strikes or lock-outs occur when the expectations of workers or employers are not met. When employers ask for, or even hint, that cuts are needed, workers can be expected to be unwilling to go along. However, if this comes from a private

sector company that has financial difficulties, it may be clear to the workers that such restraint is inevitable. However, when it's public sector workers, they recognize their employer is government. And though they use the same language of concern as their private sector union brethren, like their employer might get up and leave the country or just shut down, they know government never goes broke. Services are typically essential (even if not deemed *essential*). They see themselves in a strong position, possibly powerful enough to force their points or, at least, to compel binding arbitration to rescue the situation.

The problem is that people, in general, do not understand the economy or our political system. Workers in the private sector do jobs that create wealth. They build products with worth. They deliver services with value. As a result, their wages are substantively earned. However, the public sector exists to offer services that we, as a society, want. We willingly (more or less) give up part of our income to receive these collective services. However, there is no wealth creation, thus, their wages and benefits financially subtract from the economy beyond the taxes they pay. It is for this reason that public sector wages must be kept within this context.

So what's the solution? Some say government should simply declare such workers as "essential". Thus, there would be no legal strikes. However, then, binding arbitration would become the rule and the employer, in particular, doesn't want that. What about *non-binding arbitration* either during a strike or even before it begins?

It seems silly, on the surface. If any mediation is not enforceable, who'll live up to it? Maybe both sides, and with far less grumbling and ill-will than we see now. Imagine a completely independent arbitrator comes up with a thorough report on the situation faced by both workers and the employer, in the context of local,

national, and international realities, with no limitations on who should 'win' nor how much. Then, both sides could see the position both are in relative to each other and choose whether or not to start, end, or continue a strike. If I am a worker and I see the doom-and-gloom scenario being proffered by the employer is actually within the realm of possibility, I might become more willing to consider other options. On the other hand, if I, as the employer, read that certain critical provisions will actually cost less than half the estimate being used in negotiations, I might relent somewhat in my position. At worst, a non-binding arbitration would be a starting point for continuing talks.

The real difficulty is not so much the labour dispute as the effect it has on regular people. Yes, many people are seriously inconvenienced by public sector strikes. However, when both sides, municipality and union, treat each other like fools and refuse to genuinely negotiate from the beginning, citizens see this. Their respect for both sides is eroded. Inevitably, both are viewed with contempt, and our democratic system gets dumped on again.



The Four Stooges of the Apocalypse

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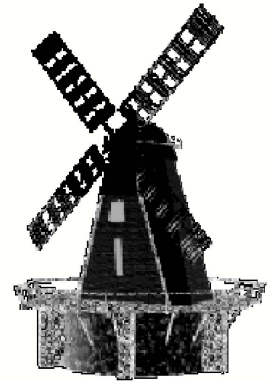
Introducing ...

Our new, fun editorial cartoon. If you've got a sense of humour, send us one! (And don't worry about perfect quality.)

Tilting at Windmills

If ever there was an argument for some level of controls on the Internet, it surely could be used when examining claims about wind energy. So many lies, half-truths, and speculation exists on the worldwide web that it can be difficult to make reasoned judgements regarding the positive or negative of wind turbines and how, or if, it fits in with society's need for electricity.

First, I should recognize my own bias. Twenty years ago, I saw a television show on how farmers were adapting old windmills, that had been used to pump water at one time, to instead crank out enough electricity to substantially lower their energy bills. At a time when power costs were rising, and nuclear energy was falling out of favour with people in general, it seemed like the small-scale use of wind power was a smart, and economical, option. It was my opinion that small windmills could be sensibly attached to all houses, especially new ones. No one I know agreed.



Fast forward and we see huge wind turbines being built across Canada, but Ontario in particular. These machines are the basis for “farms” – industrial production of electrical power in medium-scale operations. Initially, most people favoured or were, at least, indifferent toward these enterprises. That's likely because they were generally perceived as reasonably environmental at a time when the majority are not sanguine about nuclear power. However, there is clearly a backlash that is causing government to tighten regulations, which are slowing and even killing off the development of some of these wind farms.

So what are the arguments?

Wind: The bad

1. Eyesore

There seem to be a number of people who find wind turbines ugly, clashing painfully with nature ... and since most turbines are built for use in rural areas, the collision of the two can be quite stark.

2. Power cannot be stored

When the wind doesn't blow, you get no power. How do you keep huge swathes of the country powered if it is either windless, or so windy that the turbines have to be shut off?

3. Transmission lines

Given that turbines have to be built in the countryside, huge, expensive, and ugly transmission towers and lines have to be strung over long distances to hook into main lines.

4. Bird deaths

Many birds are killed each year, especially those on migratory paths that cross through the same airspace.

5. “Wind turbine syndrome” or “Wind turbine disease”

This is the name applied to the variety of medical conditions reported by those living near wind turbines, such as anxiety, depression, ear ringing, headaches, heart palpitations, high blood pressure, nausea, and sleep disturbance. The causes are unknown but are suggested as being from noise and electromagnetic fields.



Wind: The bad ... Rebuttal

1. Eyesore

The problem with this argument is that it is entirely subjective; one person's ugly is another's beautiful. When skyscrapers were first built, a certain segment of the population found them hideous. Decades later, most of us don't even see them in aesthetic terms. And just as some now see the architectural appeal of buildings, so some people actually find the wind turbines like artistic installations. Plus, one should remember that much of what we see as 'natural' today looked much different centuries ago. When Europeans came to eastern North America, most of what is now farmland was vast forest.

2. Power cannot be stored

If wind turbines are built over a large enough area, there will always be some level of wind to keep some of them going at any given time. And it must be remembered that there is still hydroelectric and nuclear power, so it can be reasonably argued each is a back-up to the other.

3. Transmission lines

This is one of the reasons for building more turbines, so transmission can be over a much shorter distance and avoid the need for massive stretches of towers.

4. Bird deaths

What little evidence there is in this area suggests that far more birds die flying into office towers than wind turbines. However, compared to domestic cats, the number is clearly small, indeed.

5. "Wind turbine syndrome" or "Wind turbine disease"

This is clearly the main argument against. Unfortunately for turbine opponents, there is no evidence that such a syndrome or disease exists. A recent literature review done by a number of eminent medical doctors, audiologists, and acoustical professionals from the United States, Canada, Denmark, and the United Kingdom (admittedly at the behest of groups that favour wind turbines) found that a significant amount of critical research exists on the topic of wind turbines and health, unlike what critics have suggested that much more research needs to be done. As well, they concluded:

- a) sound from wind turbines does not pose a risk of hearing loss or any other adverse health effect in humans;
- b) that sub-audible, low frequency sound and infra-sound from wind turbines does not present a risk to human health;
- c) and, that some people may suffer from the presence of sound from wind turbines, but this not due to the intensity of the sound level or turbulence but is caused by personal anxiety.

Critics have legitimate concerns though most, I fear, have more to do with individual perspectives and not the 'big picture'. Canada needs electricity, and we need it from 'green' sources. Wind turbines can supply a significant portion of that power. Would it be nice if we could create it without setting up these corporate so-called farms? Of course. And I see no reason why my old idea of small-scale windmills could not supply even more electricity to homes, farms, and businesses. But there are costs to everything, and wind turbines comes with a number. But are those problems so deleterious we should drop the strategy. We can't ... and it's that simple.

Byron Montgomery, Mad River Institute

H1N1: Will it be a lesson learned?

The swine, or H1N1, flu may not be the big killer that public health authorities suggested it would be, but that doesn't mean we should all shrug our shoulders and forget about it. What the H1N1 experience says about public health in Canada should frighten and infuriate all people who trust officials to do a competent job when such threats appear.

First, the H1N1 scare should demonstrate, once again, the adage of how too many cooks spoil a broth. The medical officers of health for Canada, 10 provinces, three territories, and who knows how many regional health authorities all acting on their own, led to dozens of different methodologies and actions. In one place, you could call, get an appointment, show up and get your shot. In another, you stood for hours only to be told the clinic had run out. In a few places, you went to see your personal doctor to get the needle. In most, you were told your doctor wouldn't be giving them.

Prior to that, there was so much confusion that most Canadians were put off getting the shot. Initially, authorities suggested it would be a long, hard process to get the correct formula, and shots might have to be limited to the most likely to get ill. Then, there would be enough for everyone, twice over, then not enough, then once, etc., etc. And the effectiveness of the vaccine would be good, no ... limited, oh, it would be good, then excellent. Public health officers and ministers of health made so many unsubstantiated comments that people had no idea what to believe. Many came to feel it was safer to just avoid the H1N1 shot entirely.

And if public cynicism wasn't sufficiently high, a variety of elites, from hospital and public health officials to hockey and basketball players were permitted to jump the queue that was supposed to make sure young children got first preference. Then, just for good measure, the company that had been contracted to make the



Not-so-scary flu bug

vaccine had a spokesperson admit they had fallen behind and there would be shortages.

Finally, when it became clear the majority of Canadians were going to skip this flu shot, David Butler-Jones, our national public health chief decided to blow his budget by plastering his face throughout newspapers and television to give us a kindly lecture about getting the needle.

The H1N1 scare should be a wake-up call that our public health infrastructure is pitiful. This was the judgement after the SARS epidemic and yet changes just widened and deepened the bureaucratic nature of the system, not its efficiency. While Canada may have a constitution that unnecessarily demands the national and provincial governments share jurisdiction, some politicians are going to have to admit that sharing isn't necessarily the best policy. First, it is clear that more than one company should make vaccine to assure supply. Second, provinces are going to have to eliminate their far-too-numerous health units and come up with a more centralized, less top-heavy system. Third, officials are going to have to be more clear on the best delivery system to get people the health care they need. This *ad hoc* regional design is farcical. Fourth, officials need to have their stories straight before 'informing' Canadians as to what is happening. Honesty is a great policy, unless you confuse and scare people away from getting needed services.



OUR VIEW

2009 ... Another wasted year

A number of pundits have suggested that our national minority government has finally started to work, after almost four years of dysfunction. What poppycock! The federal government is every bit as useless as it has been since 2004.

With the world slipping away into a chasm of climate change which could destroy the majority of life on this planet, our politicians make promises of plans and, for another year, deliver nothing ... or less than nothing if you consider that our emissions continue to grow. Given the very real emergency, the absolute inaction seems odd for our *leaders*. The Copenhagen conference delivered little but more hot air. Sadly, these days, short-term benefit outweighs all, even, apparently, the continued existence of our species.

Of course, they acted on the economic wreck that was 2008. Boy, did they react! Money became soapy water flowing over the filthy, near-corpse of our industrial and financial sectors. The Conservatives decided to spend and spend and spend, adopting a fiscal position they would have choked on five years ago. And in the rush to get money out the door, they funded hundreds of programmes that probably haven't created any new jobs at all, along with hundreds more that are little better than make-work wastes of cash. For example, instead of funding long-term

public transit, they preferred to pay millions to fill potholes.

(Oh, and while we mention it, much of what the government sells as "stimulus" financing is really a loss of revenue due to ill-thought-out tax cuts. While \$4 billion is supposedly going out to promote economic activity, some \$19 billion or more in revenue has been lost to corporate and personal income tax cuts and a two-point cut to the GST, something almost all legitimate economists believe was a pointless waste.)

And then we have the war in Afghanistan. Another year, more dead soldiers. Another year, no peace in sight. Another year, billions more down the black hole of that increasingly corrupt, medieval country. Yet, we have another year that the government tells us there is a point to being there – to instill our apparently democratic values – when more and more evidence indicates that is not happening. We watched as Hamid Karzai, who would likely have won anyway, bribed, cajoled, and threatened his way into *re-election*. We watched as members of our government continued to deny they knew of torture there, when more information suggests that is untrue.

Finally, we saw another year of government ignoring the people. Instead of focusing on the needs of Canadians, we saw all parties plotting for power, either to win it or to influence its course. Michael Ignatieff bent backward every time the Conservatives' hypocritical wind hit him, until his spine stiffened and he threatened an election. Jack Layton did the reverse, opposing all, then selling out for a pittance. Stephen Harper has now prorogued Parliament again, losing all legislation sitting in the Senate.

Another year of wasted time, wasted money, and wasted lives.

SOS? SOP! Save Our Pensions!!

The “great” recession of 2009 exposed many cracks in the foundation of our economy – holes in our financial system; a decaying industrial sector; and, pension supports that are shockingly weak. Without improvements, literally millions of Canadians could move from active paid work to a retirement of poverty. Reform is vital and speed in carrying it out is essential.

Governments across Canada claim to recognize improvements are necessary. Our finance ministers even had a meeting a week before Christmas of which this was the supposed focus. However, despite their words going in, the politicians came out not seeming overly concerned. In fact, federal minister Jim Flaherty’s position on change was to counsel caution. “Do no harm”, he said.

Unless they are dullards and really believe this, it’s likely politicians do not want to cause a panic among Canadians. It’s probably not ‘good politics’ to tell people that a second economic downturn might well eviscerate their pensions.

Where does that leave us today? Less than a quarter of workers have a private pension, pensions that are far from guaranteed. We almost saw the consequences of this in the near collapse of the Big Three auto makers a year ago. These pensions were unprotected and tens of thousands of ex-workers nearly lost their retirements, while the future incomes of those still employed could have suffered severely. Typically, workers are so far down the line they get little or nothing in these bankruptcies. It would appear the only rational reason no government has ever fixed this is because politicians feel it less likely any ‘white knight’ would come in with financing to save a troubled firm if their first money simply went to save worker pensions. (More cynically, one could believe it’s because politicians are in the back pocket of big business ...)

Instead of correcting the problems with pensions, alternatives have been tried. Some economists still promote the use of Registered Retirement Savings Plans as a way of making up the difference. However, we have also seen that, for the most part, Canadians are not able to make contributions sufficient to assure a comfortable post-employment life. In 2006, long before the economic troubles, 6.2 million Canadians contributed to an RRSP, according to Statistics Canada. Unfortunately, the median contribution was just \$2,730 when the maximum contribution was about six times higher. And it’s not just coming up with the money. Given RRSPs have to be converted at age 71, there’s always a penalty waiting with this option. So, we’re back to pensions.

What if private pension plans were not overseen by companies but by independent, non-profit bodies tasked to invest pensions in cautious ventures that assure they will be there for retirees? Or, as another possibility, these pensions could be merged into the administration of the Canada Pension Plan for a virtually guaranteed, secure return. To do so would mean only a slight change to the system as it is, with one huge proviso: people would determine by whom their pension funds would be handled. Individuals would need the power to take their pension monies out of private plans and assign them to either a non-profit or the CPP. Now, that doesn’t mean they would have to do so. This would simply be an option. As well, it is possible some companies would simply make arrangements for their plans to be handled by these non-profit or public alternatives. But that would be the point.

The problem with private pension plans being sucked dry by bankruptcy or companies not making contributions due to financial hardship would end. Pensions would be assured for

workers, and a steady flow of tax dollars could continue for government.

In a slightly different, but attached, vein, there is another change that some may not deem as necessary but is absolutely needed. Presently, the Canada Pension Plan pays out an average of less than \$5,700 to individuals for their retirements, to a maximum of just over \$11,200 (as of July 2009). This is far below any poverty line anyone might want to use. It hardly leaves Canadians with any kind of sufficiency to get through retirement without a primary pension.

A simple reform would be to raise the maximum and increase contributions. Yes, they would undoubtedly irk Canadians who see a significantly larger amount come off their pay cheques. However, if it is explained to people, clearly, that this could be the difference between being a senior living a comfortable lifestyle or one in squalor, people might just realize it's a good idea. Of course, it would also have to be explained to politicians that the more seniors have to spend, the more they will contribute to the economy and the less they will consume in government services.

Politicians may have been prepared to consider meaningful pension reform. Undoubtedly, the urgency vanished as they became convinced the economy had rebounded and the immediacy of the threat had passed. That's the way they almost always think, instead of tackling the problems when times are good. If the recession returns, in a second downturn some social scientists and commentators are convinced will occur, there will be an emergency that could have been headed off with immediate reforms. Instead, Canada's finance officials are preaching temperance and study. The politics of inertia seem to be winning the day, again ... at the risk of hundreds of thousands of people's retirements.

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Senate Reform, Part 1

Stephen Harper has resurrected his hobbyhorse of senate reform and, once again, he has missed the point. He wants *ad hoc* changes to force an eight-year term limit while allowing the provincial governments to 'elect' senators such as Alberta has already tried. Opponents say this method is unconstitutional, and the provincial governments must approve any changes. They're correct ... but they're missing the point, too.

This is another instance of elites making decisions for elites. Any reform to the Senate must be approved, not by the governments of Canada, but by the people of Canada.

Any democratic government garners its authority to act because citizens give up a little bit of our personal sovereignty to the larger body to act in our collective best interest. *I cannot defend against an army but I and my fellow citizens can.* Individuals are the basis of government and fundamental change to its legislative bodies must be authorized by individual citizens.

As such, the Prime Minister should put forward his plans for change in a referendum for Canadians to decide. This could be done easily, and relatively cheaply, at the time of the next national election. People would simply have a second ballot. Of course, it would be nice to have some other alternatives to consider, as well.

(In our next issue, Part 2 will consider our favoured choice for Senate reform.)

Our Philosophy

As its basic principles, the Mad River Institute for Political Studies, its directors, officers, and members pledge that it, and they, will work to:

1. promote the “public good” through the strengthening of the public nature of government
2. have public servants recognize their inherent responsibilities to citizens
3. create more equity in politics through the expansion of democratic measures
4. have government recognize its inherent responsibility to act directly to help those citizens who need assistance
5. have public servants adopt higher standards of conduct for themselves and all society
6. have public servants recognize their inherent responsibilities in the expenditure of tax dollars while still delivering needed public services
7. have public servants consider more innovative and original ideas to deal with problems
8. assist the public in better understanding the political process and their place in it, as well as the consequences of their political decisions.

It is our belief that people must begin to take greater charge of their own political affairs, and demand more responsibility and accountability from politicians and government for their actions. That is our *raison d'être*. We want to act as an observer, critic, and teacher of government and politics, and try to promote political activity amongst the public by improving the efficacy, accountability, and responsibility of government.



For us, we are in our early days. It is most important we gain members, both for the legitimacy of our cause and for our finances. If you're not already a member and you think the Institute is on the right track, then please consider joining us. Our basic membership is just \$20.

If you're already a member, please consider a small donation to help offset the costs of ongoing operations, such as advocating our goals, our educational programmes like **PEAR**, and our everyday expenses, which we keep as low as we can.

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